ROBERT MENENDEZ

NEW JERSEY

COMMITTEES:
BANKING, HOUSING, AND URBAN
AFFAIRS
FINANCE

FOREIGN RELATIONS, CHAIRMAN



WASHINGTON, DC 20510-3005

528 SENATE HART OFFICE BUILDING WASHINGTON, DC 20510 (202) 224–4744

> ONE GATEWAY CENTER 11TH FLOOR NEWARK, NJ 07102

208 WHITE HORSE PIKE SUITE 18–19 BARRINGTON, NJ 08007 (856) 757–5353

December 20, 2013

Edith Ramirez Chairwoman Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580

Dear Chairwoman Ramirez:

I write regarding the recent customer data breach at Target Corporation retail stores. Our country's consumers depend upon safe and secure transactions, and especially at this crucial time of year, our country's retailers must commit to fulfilling that expectation. Unfortunately, these data breaches are becoming increasingly common. Therefore, I write to request an update on the Federal Trade Commission's efforts in regard to this and other data breach situations, as well as whether additional legislative support would help to protect consumers.

As you know, on December 19th, Target announced a data breach that affected roughly 40 million credit and debit card accounts, including customers' names, card information, and security codes. While Target has claimed that the breach has been resolved, it still has not publically disclosed the means or methods used by the perpetrators of the data breach. The 40 million compromised accounts represent one of the largest corporate security breaches in history, potentially exposing millions of people who shopped this holiday season to fraudulent charges, identity theft, and other inexcusable hardships.

The FTC has authority to ensure that companies protect consumer's privacy, and I request an update on your agency's efforts to enforce this mandate. Both Section 5 of the FTC Act and other related provisions authorize FTC action in certain cases, particularly when companies pledge to protect consumer information and fail to uphold that promise. Therefore, I ask for an update on what the FTC is doing in response to this latest breach, as well as the FTC's efforts to ensure that similar data breaches do not occur in the future.

Additionally, I write to ascertain whether any legislative fixes may be necessary. When the parent company of TJ Maxx and Marshalls experienced a similarly large data breach in 2006, the FTC brought charges to hold the company accountable. The resulting settlement brought needed upgrades to the parent company, including periodic audits by third-party vendors and additional data security measures, yet the FTC Act did not permit the levying of fines or penalties. Therefore I write to ask whether the FTC needs additional legislative authority in order to ensure consumer protect and improve retail outlets' ability to protect consumers' sensitive data.

Securing customers' data benefits both consumers and retailers. These breaches endanger consumers' sensitive financial information while also harming the affected merchants. Our nation's regulators must be vigilant to ensure a safe and secure environment to protect all involved. I ask that you please provide a response regarding my requests. If you have any questions, please contact my Chief Counsel, Kerri Talbot, at (202) 224-4744.

Thank you for your continued work on this issue. I look forward to hearing from you.

Sincerely,

ROBERT MENENDEZ

United States Senator